

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04  
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TO SECSTATE WASHDC 8774  
INFO AMEMBASSY BUENOS AIRES  
AMEMBASSY LA PAZ  
AMEMBASSY LIMA  
USCINCSO

UNCLAS SANTIAGO 2481

EO 11652: NA  
TAGS: ELAB, CI  
SUBJ: PINOCHET MEETS WITH CHILEAN LABOR

REF: SANTIAGO 2393

1. SUMMARY: IN A MEETING WITH 1,500 CHILEAN WORKERS  
MARCH 30, CHILEAN PRESIDENT AUGUSTO PINOCHET SAID THAT  
THE DRAFT OF A NEW CONSTITUTION WOULD BE READY BY THE  
END OF THE YEAR. HE ALSO ANNOUNCED THAT A COUNCIL OF  
LABOR WILL BE ESTABLISHED MAY 1. HOWEVER, APART FROM  
TAX RELIEF FOR RETIRED PERSONS, PINOCHET OFFERED WORKERS  
VERY LITTLE EXCEPT HIS CONCERN FOR WORKERS ECONOMIC  
PROBLEMS. END SUMMARY

2. SPEAKING FIRST ABOUT POLITICAL SUBJECTS, CHILEAN PRESIDENT  
PINOCHET ANNOUNCED TO THIS LARGE GROUP OF TRADE UNIONISTS  
THAT HE WOULD SUBMIT A NEW CONSTITUTION TO THE WORKERS  
FOR THEIR REVIEW LATER THIS YEAR, AND THAT IT WOULD  
EVENTUALLY BE RATIFIED BY A PLEBISCITE. PINOCHET ADDED  
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THAT THE PROCESS OF INSTITUTIONALIZATION WILL CONTINUE  
AS OUTLINED LAST YEAR (THE CHACARILLAS SPEECH) BECAUSE  
THE DESTINY OF CHILE REQUIRES THAT EVERY STEP BE DOUBLY  
SECURE. PINOCHET SAID THAT HE WOULD ADDRESS THE NATION  
THIS WEEK TO DESCRIBE IN MORE DETAIL STEPS TOWARD THE  
NEW INSTITUTIONALITY (REFTEL)

3. TURNING TO LABOR MATTERS, THE CHILEAN CHIEF EXECUTIVE ANNOUNCED THE ESTABLISHMENT ON MAY 1 OF A COUNCIL FOR LABOR. THE ANNOUNCED PURPOSE OF THE COUNCIL, WHICH WILL INCLUDE BUSINESS AS WELL AS LABOR REPRESENTATIVES, IS TO INSTITUTIONALIZE LABOR SECTOR ACCESS TO TOP DECISION-MAKING LEVELS. HE THEN SAID HE WOULD MOVE FORWARD WITH SOLUTIONS TO LABOR'S PROBLEMS AS FEASIBLE. IN THE VEIN, HE ANNOUNCED THAT RELIEF WOULD BE PROVIDED TO RETIRED PEOPLE BY AN IMMEDIATE REDUCTION OF REAL-ESTATE TAXES BY 50 PERCENT FOR ALL PERSONS ON A PENSION. REFERRING TO THE EMOTIONAL CONDEMNATION OF PARALLEL UNIONISM BY JORGE CASTILLO, PRESIDENT OF PAPER WORKERS, PINOCHET USED THE OCCASION TO ATTACK "POLITICIANS" WHO USE TRADE UNION ORGANIZATIONS TO CONTINUE THEIR POLITICAL ACTIVITY, AND POINTEDLY ORDERED THE MINISTER OF INTERIOR TOGETHER WITH THE MINISTER OF LABOR TO PUT A STOP TO THIS SORT OF POLITICAL ACTIVITY.

4. NINE PRO-GOVERNMENT LABOR UNION LEADERS ADDRESSED THE ASSEMBLY WHICH INCLUDED CONCERNED CABINET MINISTERS AS WELL AS THE PRESIDENT. SEVEN OF THE NINE WERE APPOINTED BY THE GOVERNMENT TO THEIR "UNION" POSITIONS. HOWEVER, MOST DID A GOOD JOB IN OUTLINING THE SEVERE ECONOMIC PROBLEMS FACED BY A MAJORITY OF CHILEAN LABOR. ONE, MARIO SALGADO, PRESIDENT OF THE INDUSTRY AND COMMERCE WORKERS UNION REQUESTED THE ABOLITION OF THE LAWS

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REGULATING HOURS IN WHICH A RETAIL STORE COULD OPEN OR CLOSE AND WAS REWARDED IMMEDIATELY BY A PRESIDENTIAL PROMISE TO ABOLISH THAT LAW. THE MOST APPLAUSE WAS GIVEN TO AN UNSCHEDULED SPEAKER, JOSE CASTILLO, OF THE PAPER WORKERS WHO COMPLAINED THAT BUSINESSMEN FORCE TRADE UNION LEADERS OUT THEIR JOBS (OFTEN BY OFFERS OF MONEY) AND SUBSEQUENTLY PUT THEM ON A BLACK LIST SO THEY CANNOT BE HIRED AGAIN. CASTILLO THEN ATTACKED THE ESTABLISHMENT OF PARALLEL UNION ORGANIZATIONS WHICH HE ALSO ATTRIBUTED TO BUSINESSMEN.

5. COMMENT: LIKE THE TWO PREVIOUS MEETINGS THIS ONE WAS CAREFULLY ORCHESTRATED. ALL THE PERSONS ATTENDING WERE, TO SOME DEGREE, APPROVED BY THE GOC. FOOD, LODGING AND TRANSPORT WERE PROVIDED TO THOSE FROM OUTSIDE SANTIAGO. THE PRINCIPAL LEADERS FROM THE AUTHENTIC DEMOCRATIC TRADE-UNION MOVEMENT WERE EXCLUDED. AS FAR AS LABOR INTERESTS ARE CONCERNED THE RESULTS OF THE CONFERENCE WERE MINIMAL. SOME LEADERS HAD AN OPPORTUNITY TO SAY WHAT IS COMMON KNOWLEDGE -- THAT MOST CHILEAN WORKERS ARE NOT WELL PAID -- AND IT IS OF SOME INTEREST THAT, FOR THE FIRST TIME, ALL OF THESE PRO-GOVERNMENT

UNION LEADERS COMPLAINED ABOUT THE ECONOMIC CNONDITION  
OF CHILEAN LABOR. SOME COMPLAINED ABOUT THE LACK OF  
ENFORCEMENT OF EXISTING LAWS, OTHER ASKED FOR THE REPEAL  
OF REVISION OF LAWS. AT THE SAME TIME ALL MADE A VERY  
SPECIAL EFFORT TO PRAISE THE MILITARY AND THE PRESIDENT  
IN PARTICULAR FOR THEIR CONCERN FOR CHILEAN WORKERS. AS  
IMPORTANT AS WHAT WAS SAID, WAS THAT WHAT WAS OMITTED. PRIOR  
TO THE MEETING, CHILEAN LABOR ATTACHE IN WASHINGTON  
WENCESLAO MORENO, SAID THAT TOO MUCH EMPAHSIS WAS BEING  
PLACED ON TRADE UNION ELECTIONS, RIGHT TO MEET FREELY,  
AND COLLECTIVE BARGAINING. AT THIS MEETING UNLIKE THOSE  
IN NOVEMBER AND JULY OF LAST YEAR, NO MENTION WAS MADE  
OF THESE TRADITIONAL TRADE UNION FREEDOMS WHICH HAVE BEEN  
SUSPENDED SINCE SEPTEMBER 11, 1973.  
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## Message Attributes

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